

Demography and labour market in 2050

Opportunities and challenges for young people
and businesses in the European Union

Francesca Sperotti
Adapt Research Fellow
University of Bergamo, Italy

Youth Unemployment and Joblessness:
causes, consequences, responses
Mexico City, 29-30 August 2011

Outline:

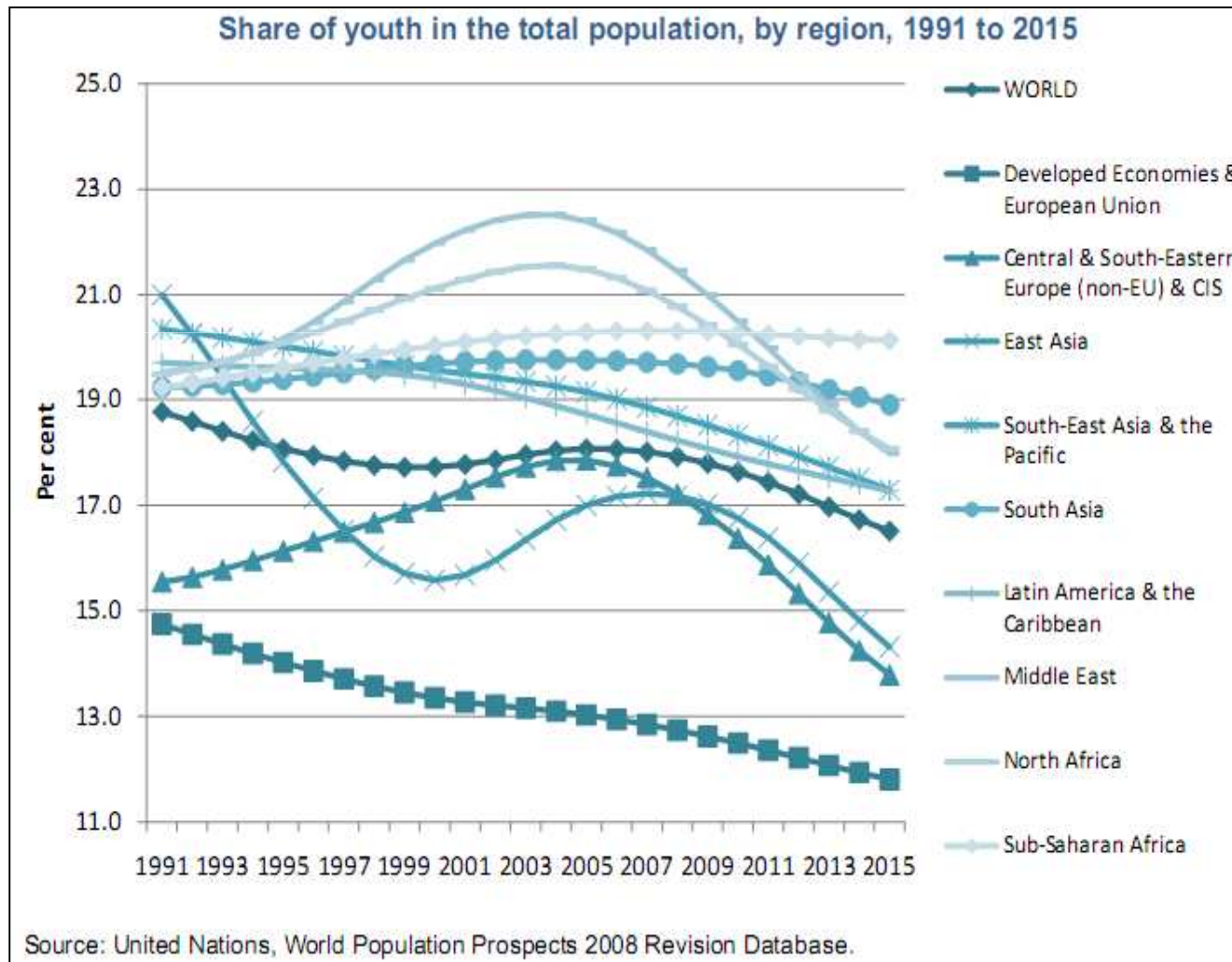
- 1. Current and future demographic trends**
- 2. Opportunities and challenges for *young people* in the European labour market**
- 3. Opportunities and challenges for *businesses* in the EU**

Outline:

- 1. Current and future demographic trends**
2. Opportunities and challenges for *young people* in the European labour market
3. Opportunities and challenges for *businesses* in the EU

At a global level

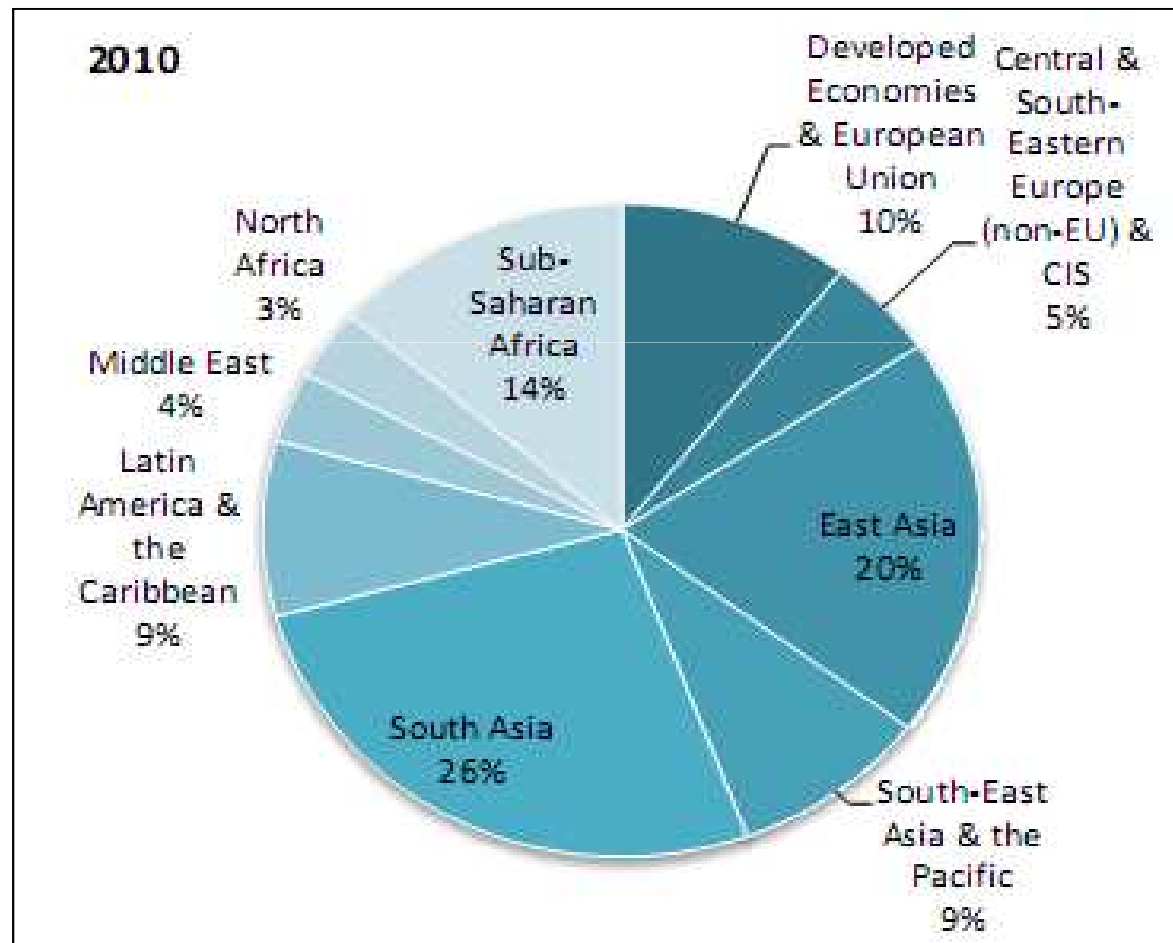
The share of youth in the overall population is declining...



Source: ILO, 2010, p. 8

At a global level

...but it continues to be high in many developing regions



Source: ILO, 2010, p. 8

At a EU level

The population is becoming OLDER and more diverse

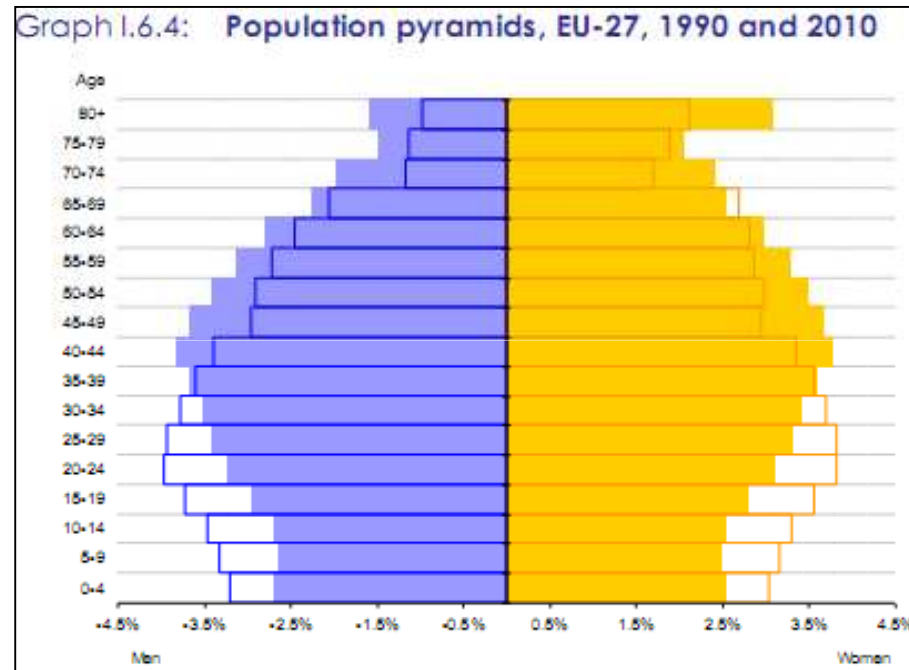


Table I.6.4: Population age structure by major age group, on 1st January 1990 and 2010 (%)

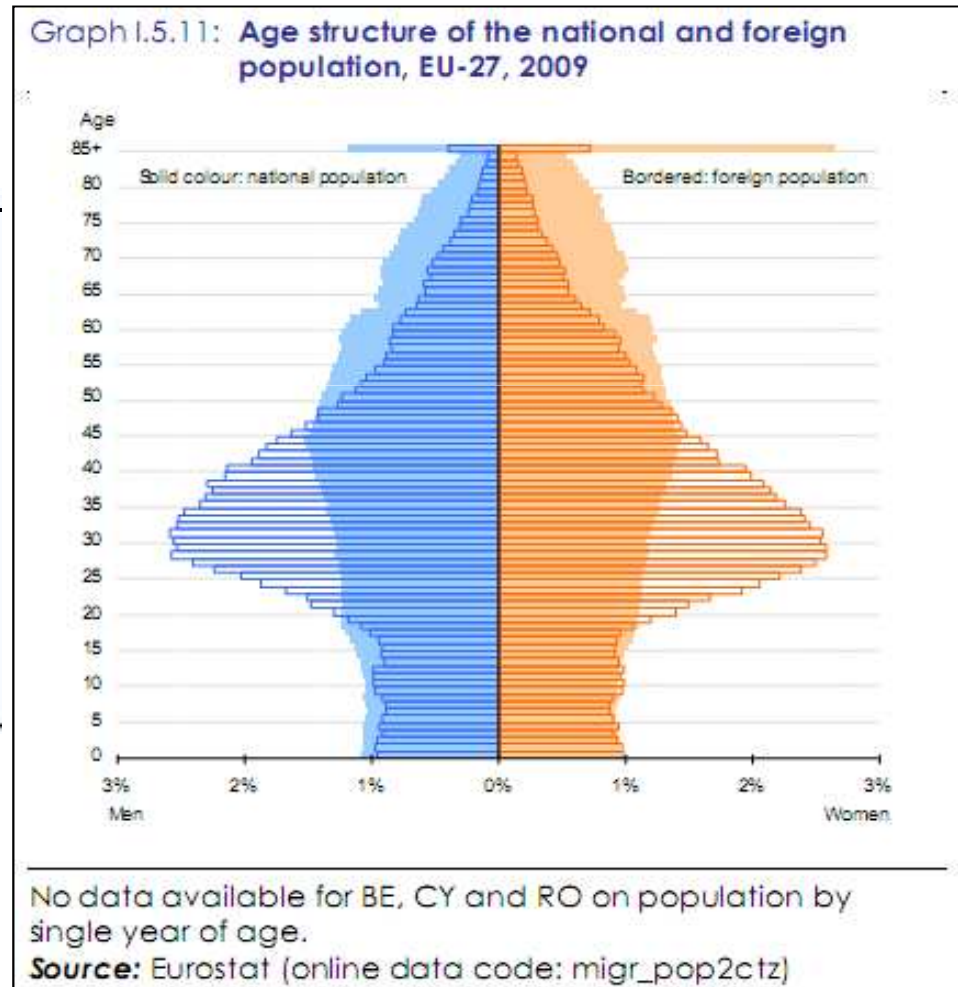
	0-19		20-64		65 or older	
	1990	2010	1990	2010	1990	2010
EU-27	26.7	21.3	59.5	61.3	13.7	17.4

Source: European Commission and Eurostat, 2011

The population is becoming older and MORE DIVERSE

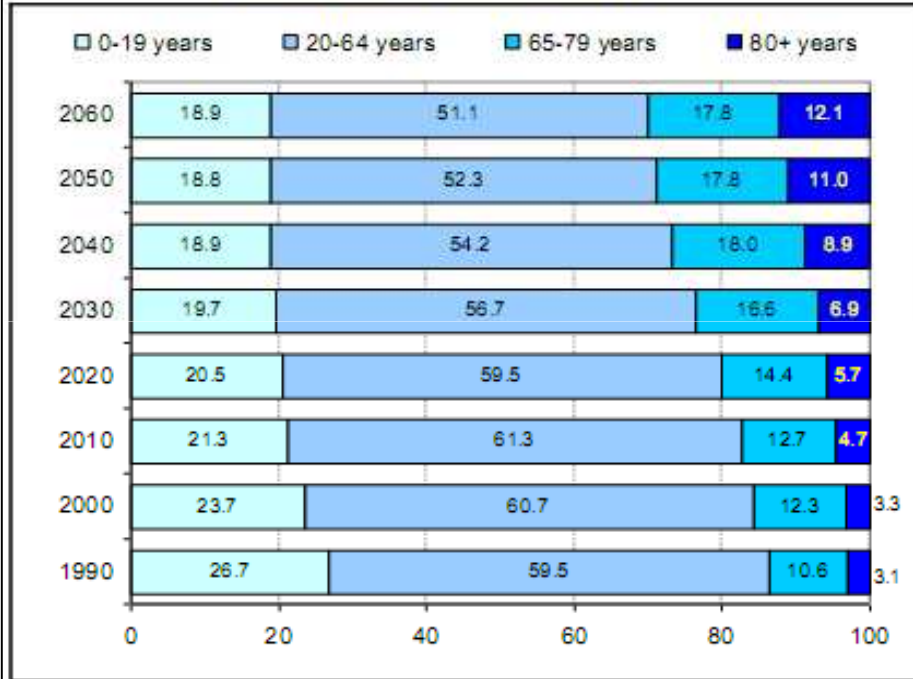
Tot EU pop = 500 millions

	%	millions
1. Non-EU citizens living in the EU	4	20
2. EU citizens who were born abroad	10	50
3. EU citizens born in the country but whose parents or grandparents were born abroad	5	25
4. EU citizens with work/study experience abroad or have/had a foreign partner (1)	11	55



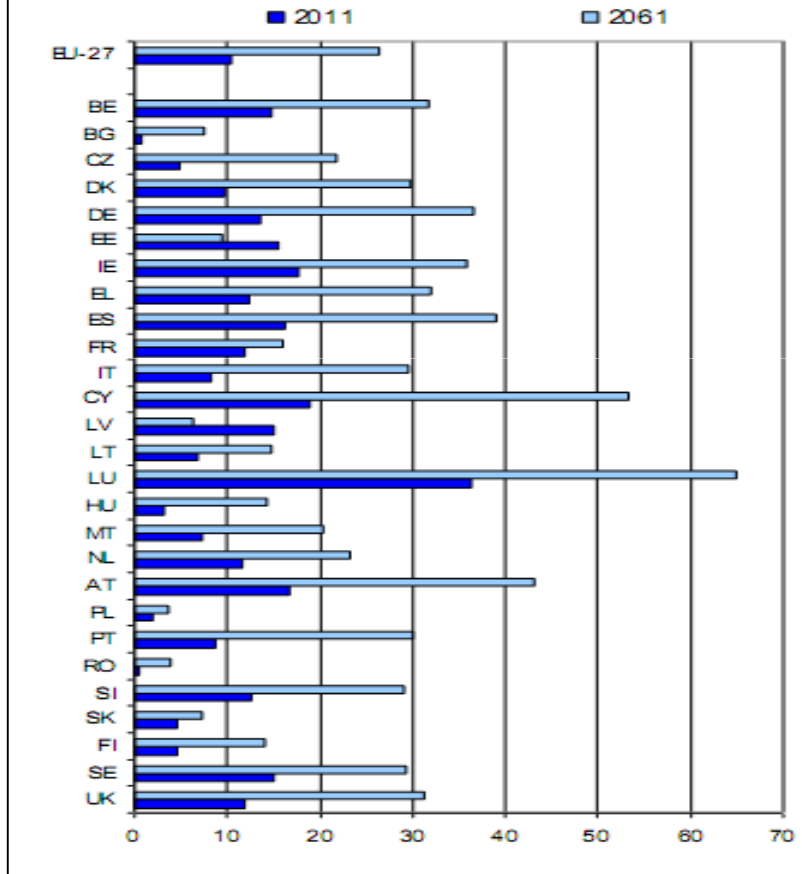
The EU population will be OLDER and MORE DIVERSE

Graph I.6.8: Population age structure by major age groups, EU-27, 1990-2060 (%)



1990 – 2010: Observed populations.
 2020 – 2060: EUROPOP2008 convergence scenario.
 EU-27 excludes France's overseas departments.
Source: Eurostat (online data codes: demo_pjan and proj_08c2150p)

Graph II.2.7: Projected foreign-born population and their descendants, 2061 (%)



FR: Metropolitan France.
Source: Model 1 in Lanzieri G. (2010) see note (59)

FEWER and MORE DIVERSE YOUNG PEOPLE

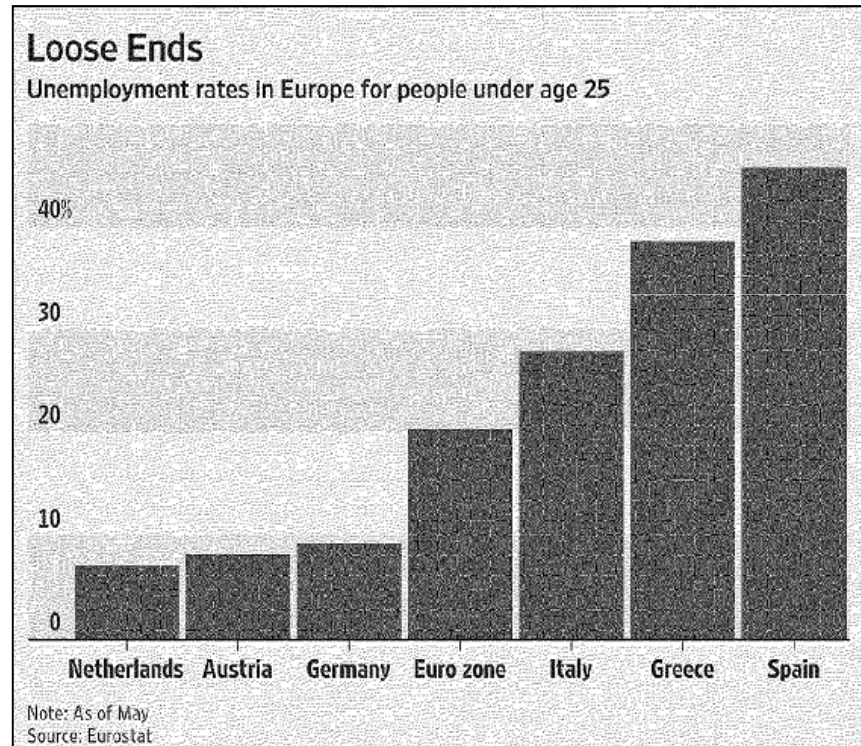
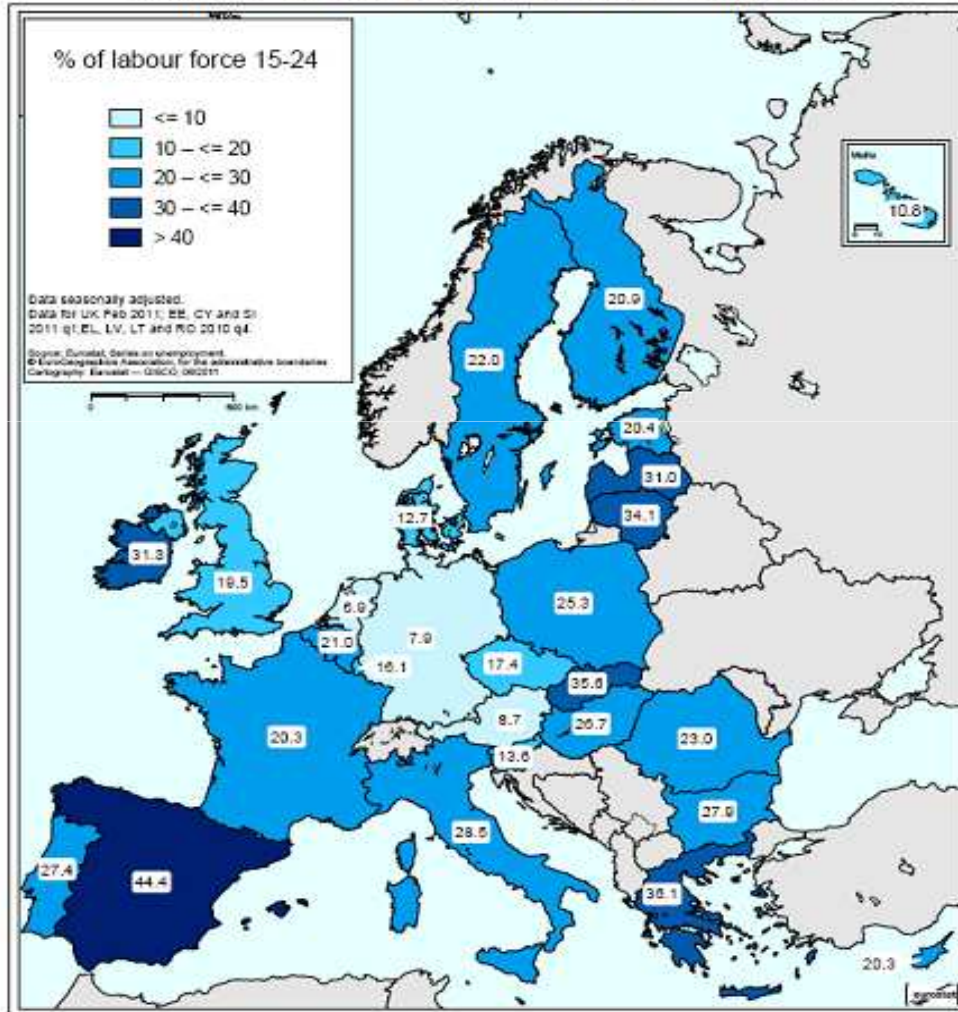
Outline:

1. Current and future demographic trends
2. **Opportunities and challenges for YOUNG PEOPLE in the European labour market**
3. Opportunities and challenges for *businesses* in the EU

Main challenges at a EU level

Structural problems	Recent economic crisis	Recent trends
<ul style="list-style-type: none"> • School drop-outs • Unemployment - Inactivity • NEETs • Over-education and mismatch 	<ul style="list-style-type: none"> • Young people are the most hit by the recent economic crisis • Higher risk of human capital depreciation • Higher risk of over-education • Risk of a “lost generation” 	<ul style="list-style-type: none"> • Increasing youth unemployment rates, two/three times higher than the adult rate • Declining participation of young people in the EU labour market • Young women and young immigrants continue to be the hardest hit by unemployment

Chart 34: Youth unemployment rates, April 2011



Source: European Commission, 2011

Main challenges at a EU level

Structural problems

Current economic crisis

Recent trends

Globalization

A different way of working
(the traditional distinction between employee and self-employee will be in the future less and less relevant)

Technology

Outline:

1. Current and future demographic trends
2. Opportunities and challenges for young people in the European labour market
3. **Opportunities and challenges for BUSINESSES in the EU**

From challenges to opportunities

Challenges	Opportunities
Replacing those leaving jobs for retirement	<ul style="list-style-type: none">• Changing mindsets with regard to young people• Extensive collaboration with schools, colleges, universities and other education and training institutions• Invest in skills development
Simultaneous presence of old and young workers	<ul style="list-style-type: none">• Managing “life stage” diversity• Mentoring
More diverse young people <ul style="list-style-type: none">- aspirations- cultures	<ul style="list-style-type: none">• Listen what young employees want from their job, company, employer• Integration paradigm

The EU response : how to support young people in the field of employment

- Integrate concerns of young people in **employment strategies**
- Invest in the **provision of skills** for those jobs in demand on the labour market
- Develop **career guidance** and counselling services
- Promote possibilities for young people to work and to follow training abroad, also by lowering barriers to **free movement across the EU**
- Promote quality **traineeships** to increase young people's chances on the labour market
- Improve childcare and promote sharing of responsibilities between partners in **reconciliation** between professional and private life
- Support young people's **entrepreneurship** e.g. via targeted education, access to funds, mentoring and support networks and structures in favour of youth entrepreneurship

*“Building **together** the future of work”*

Thank you for your attention

Francesca Sperotti

francesca.sperotti@adapt.it

www.adapt.it

Bibliography

- ACAS, *The future of workplace relations – An Acas view*, January 2011
- T. Butler et al., *Job sculpting: the art of retaining your best people*, 1999
- CBI, *The shape of business the next 10 years*, November 2009
- T.J. Erickson et al., *What it means to work here*, in “Harvard Business Review” , March 2007
- ETUC, *Demography and the labour market: a challenge for the unions*, 2008
- European Commission and Eurostat, *Demography report 2010: Older, more numerous and diverse European*, March 2011
- European Parliament, *The situation of youth in the European Union*, 2010
- C. Fernández-Aráoz et al., *The Definitive guide Recruiting in Good Times and Bad*, in “Harvard Business Review” May 2009
- ILO, *Global employment trends for youth*, August 2010
- J.C. Meister et al. , *Mentoring Millennials*, in “Harvard Business Review” , May 2010
- The Work Foundation, *The Deal in 2020: A Deplhi Study on the Future of Employment relationship*, June 2010
- D. T. Thomas et al., *Making differences matter. A new paradigm for managing Diversity*, in “Harvard Business Review” , 2002